Growth of Digital Platform Work in Korea and Delay in the Establishment of Relevant Legal Institutions

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1-1 Emergence of Digital Platform Work

✓ Platform work: new form of work or transformation of existing work?
Rise of the platform economy: Old problem in a new guise?
2.1 Social Issues Concerning Platform Work

✓ Excluded from the rights and protection by the labour law and social security

Platform workers cannot claim the protection and rights set forth in the Labor Standards Act

- The Occupational Safety and Health Act, the Equal Employment Opportunity and Work-Family Balance Assistance Act, the Framework Act on Social Security, and the Trade Union and Labor Relations Adjustment Act

✓ Recognition as industrial accidents thanks to Supreme Court and Administrative Court cases: the Administrative Court ruling (2013), the Supreme Court ruling (2018)

(L) Negative articles on platform labour

(R) Positive articles on platform labour
Trend of press coverage on platform work
Jan. 2017 – June 2021

ILO report on platform work (Feb. 2021)
✓ Mostly under 35 years old, absence of training
Jobs with high gender segregation
✓ Proportion of the Korean youth engaged in platform work: 56.8% (KLSI)

Note: Search results of news articles on "Platform Work" from 24 major Korean media outlets (comprising 5 broadcasting stations, 11 major daily newspapers, and 8 economic trade publications).
### 2-2 Estimated Number of Platform Workers in Korea

✓ As of 2020: 7.6% of the total employed (1.79 m pers.)

<table>
<thead>
<tr>
<th>Business Income Earners(^{(1)})</th>
<th>Freelancers(^{(2)})</th>
<th>Persons in Special Types of Employment(^{(3)})</th>
<th>Platform Workers(^{(3)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea (nationwide)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.68 million</td>
<td>4 million</td>
<td>1.65 million</td>
<td>1.79 million</td>
</tr>
<tr>
<td>Seoul (city)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,635 thousand</td>
<td>526 thousand</td>
<td>402 thousand</td>
<td>469 thousand</td>
</tr>
<tr>
<td>Research Period</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>2018</td>
<td>2018</td>
<td>2020</td>
</tr>
</tbody>
</table>

Source: (1) Analysis of National Tax Services’ original data on withholding income tax payments; (2) Analysis of KLI Labor Panel; (3) Number of pers./year estimated by the KLI and KLSI.
Higher proportion of platform workers...?

<table>
<thead>
<tr>
<th>country</th>
<th>%</th>
<th>country</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>12.6%</td>
<td>Romania</td>
<td>14.2%</td>
</tr>
<tr>
<td>Spain</td>
<td>15.1%</td>
<td>France</td>
<td>8.8%</td>
</tr>
<tr>
<td>Germany</td>
<td>11.8%</td>
<td>Croatia</td>
<td>12.1%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>10.6%</td>
<td>Sweden</td>
<td>7.8%</td>
</tr>
<tr>
<td>Portugal</td>
<td>15.7%</td>
<td>Hungary</td>
<td>8.9%</td>
</tr>
<tr>
<td>Italy</td>
<td>13.5%</td>
<td>Slovakia</td>
<td>8.5%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>13.5%</td>
<td>Finland</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

2018 EU simple average | 11.9%

2020 KOREA | 7.6%

Source: 1) EU → Platform workers in Europe (2018)
2) KOREA → KLI (2020)

Caption: 48 m freelancers in 1800 categories

Fiverr, Upwork, Freelancer.com, Envato Studio, PeoplePerHour, Toptal, Guru.com, DesignCrowd, Nexxt, DesignContest, TaskRabbit, CrowdSPRING, Dribbble Hiring, WriterAccess, 99Designs, Catalant, Designhill, Skyword, Bark, Gigster
Male workers take up 2/3 of the workforce in the sector (66.5%) → Gender segregation and gender pay gap (37%)

Rise of platform workers among the youth: online, web-based

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Korea (nationwide)</th>
<th>Seoul (city)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female (33.5%)</td>
<td>Female (38.8%)</td>
</tr>
<tr>
<td>10-19</td>
<td>4.3%</td>
<td>8.6%</td>
</tr>
<tr>
<td>20-29</td>
<td>28.9%</td>
<td>37.0%</td>
</tr>
<tr>
<td>30-39</td>
<td>22.7%</td>
<td>19.6%</td>
</tr>
<tr>
<td>40-49</td>
<td>21.2%</td>
<td>15.4%</td>
</tr>
<tr>
<td>50-59</td>
<td>18.4%</td>
<td>16.5%</td>
</tr>
<tr>
<td>60-69</td>
<td>4.4%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

Source: Re-analysis of the original estimate data on the number of platform workers in Korea. (Chang Ji-yeon and Kim Jong-jin, 2020)
2-5 Types of platform work and examples in Korea (ILO, KLSI)

- Online, web based: simple tasks 34.4%, creative job 26.2%, IT 19.7%, specialised service 15.%, etc.

- Locality-based: logistics, courier & delivery 67.8%, others 13%, specialised service 11.8%, domestic work service 5%, etc.
  - Female platform workers: low wage earners (approx. 1,200 – 1,400 €)
  - Male platform workers: higher wage (approx. 2,400 – 2,800 €)
3-1 Formation of Industrial Relations in Platform Work and Related Issues

✓ Establishment of trade unions 2018-2019

Platform workers’ trade unions began to form between 2018 and 2019

→ Locality-based trade unions are mainly composed of male workers

✓ Unions’ claim: legal and institutional improvements

→ Standardisation, labor rights, fees and industrial safety

ex) Rider Union (operated by Yogiyo, 2019), Kakao, Baemin (2020-2021)

✓ Social dialogue on logistics, courier & delivery service

Tripartite or bipartite negotiations, rather than individual company bargaining

✓ Formation of various organisations representing different interests

→ Representing the Collective Interests of Platform Workers and Promoting Solidarity

ex) Life Magic Care Cooperative (2018), Korea Platform Freelancer Mutual Aid Association (2021)
‘Active research and policy discussions’ on the transformation of industrial structure and technological development

Amidst the changing industrial structure and technological advancements, the increase in various types of employment resulted in numerous research projects and accelerated the discussions regarding relevant institutions and policies.

Central-local gov. discussions on the increase of platform labour; establishment of common measures

Discussions were carried out by the central and local governments, committees under the government, and amongst the various tripartite stakeholders.
## 4-2 Major Types of Governance Mechanism on Platform Work in Korea (2017-2021)

<table>
<thead>
<tr>
<th>Governance Type</th>
<th>Characteristics</th>
<th>Main Agenda</th>
<th>Participants</th>
<th>Discussion Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>디전노위(1) (a)</td>
<td>Establishing agenda</td>
<td>On the whole digital platform work landscape / intermediary platform for hiring in the IT-SW sector</td>
<td>Existing Tripartite institutions</td>
<td>Proposals, agreements</td>
</tr>
<tr>
<td>배달분과(1) (b)</td>
<td>Problem solving</td>
<td>Occupational Accident Insurance for delivery riders</td>
<td>Stakeholders of delivery services, existing Tripartite institutions</td>
<td>Agreements</td>
</tr>
<tr>
<td>플랫폼산업위(2)(c)</td>
<td>Establishing agenda</td>
<td>Edu. and training, dispute prevention</td>
<td>Stakeholders of the Platform Industry</td>
<td>Launched in June 2021</td>
</tr>
<tr>
<td>Jobs Committee’s Platform Work T/F(1)</td>
<td>Policy TF</td>
<td>Statistical survey methodology and social insurance, etc.</td>
<td>Companies and experts related to platform work, relevant ministries</td>
<td>Report of discussion results</td>
</tr>
<tr>
<td>The 4th Industrial Revolution Committee’s Delivery Worker Safety Net Task Force(1)</td>
<td>Problem solving TF</td>
<td>Reduction of insurance premium on delivery riders’ bikes</td>
<td>Relevant companies, experts and ministries</td>
<td>Report of discussion results</td>
</tr>
<tr>
<td>Social Dialogue Forum on Delivery Services(1)</td>
<td>Resolution of issues among stakeholders</td>
<td>Delivery riders’ working conditions improvements</td>
<td>Key stakeholders in the market (Baemin, Delivery Hero Korea, Labour Union of Service Workers under KCTU, Rider Union)</td>
<td>Agreement signed</td>
</tr>
<tr>
<td>National Assembly’s Task Force on Taxis and Carpooling(1)</td>
<td>Social reconciliation after tension among different sectors</td>
<td>Creation of carpooling services</td>
<td>Nat. Assembly, taxi industry, 2 major trade union confederations, mobility industry</td>
<td>Agreed on grand social compromise</td>
</tr>
</tbody>
</table>

Note: (1) Governance body no longer in place, (2) Governance body in operation

(a) Committee on the Digital Transformation and the Future of Work (b) Delivery Services Sub-Division (c) Platform Industry Committee
Development of platform economy and 4 draft bills on protection of platform workers

The Korean government and the National Assembly drafted “Four Bills Concerning the Platform Worker Protection

Unclear future of the draft bills due to wide gaps in different views

(Divergent views) Due to the difference of ruling and opposition parties’ positions as well as the objections raised by the labour organizations, it is not clear whether the bills will get passed by the National Assembly.

- Platform Worker Protection Bill
- Employment Security Act
- Framework Act On Employment Policy
- Framework Act On Labour Welfare

Article on trade unions’ position regarding the 4 draft bills on platform worker protection

(15/04/2021)
“플랫폼종사자법 제구실 하려면 ‘배달노동은 자영업’ 분류 막아야”

행사
2021년 07월 15일 목요일 01:00

표기
2021년 07월 15일 목요일 01:00

본문
2021년 07월 15일 목요일 01:00

'플랫폼노동자 휴게시설 설치' 근로자복지법, 국회 환노위 통과

플랫폼 노동자 휴식권 보장, 근로 보호 강화 차원에서 마련 계획

경계
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환노위는 이날 오전 전체회의를 열고 이 같은 내용이 담긴 ‘근로복지기본법 일부개정안’ 등 총 4건의 법안을 의결했다.

유준명 더불어민주당 의원이 대표발의한 근로복지법 개정안은 플랫폼 노동자가 시간외 노동에 의한 건강 손해가 우려된다.

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5-1 New norms of the industrial relations? The general labor standards and norms such as industrial relations

Changing the Labour Standard Act enacted in 1953 to the Workers’ Standard Law

工人標準法（或工人標準法框架）
（现有法律对社会保险、社会安全、性别平等在就业等）

Workers’ Standard Law (or Framework Law for Workers)

1. New norms of the industrial relations?
2. Discussions on legal institutions
3. New discussions
4. Workers’ Standard Law?

Article on the National Human Rights Committee recommendation on the classification of platform workers as employees (31/12/2021)

✓ Social (triptartite) dialogues
✓ Discussions on legal institutions
➢ new discussions
→ Workers’ Standard Law?

(2021년 12월 31일 국토교통 008번 사례)

인권위 “플랫폼 종사자 보호법 근로자 추정 등 보완법 필요”

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Calling for decent jobs thanks to technologies, and a “human-centric” approach to technologies

Digital technology presents new challenges in the effective implementation of labour protection. Digital platforms offer new means of earning income to workers in various regions in the world. However, as they are transnational and operate under various jurisdictions, it is difficult to monitor whether they abide by labour laws. Many platform workers are subject to low wage, sometimes below the minimum wage, and there is no official channel to correct unfair treatment. As platform labour is expected to grow in the future, we need to develop an international governance system in order to set a minimum level of rights and protection, and have digital platforms (and customers) to respect these norms.
✓ Guiding principle: how much platform operators limit workers’ freedom?
✓ Criteria: if a platform operator fulfills 2 criteria out of the 5 below or more, it is an ‘employer’

① Sets platform workers’ wage level or wage ceiling
② Oversees platform workers’ work via electronic means
③ Limits platform workers’ freedom to choose period of work or leave, to accept or decline a task, or to consign their work to a third party
④ Sets concrete rules on platform workers’ appearance (ex. wearing uniform) and the way their services are provided
⑤ Limits platform workers’ freedom to (independently) seek clients or work for a third party (competitor).

* Including the directive on ‘control by algorithm’: stipulates that platform workers are entitled to be informed about task allocation, payment of wage or incentives in order to ‘enhance transparency’ of algorithms. It also guarantees platform workers’ right to have ‘automatic decision making’ by algorithm explained to them and to ‘raise objections’.

Source: EU, Commission proposals to improve the working conditions of people working through digital labour platforms (Brussels, 9 December 2021)
Thanks for your attention

E-mail: sadae1999@hanmail.net
http://klsi.org